



Balanced

Financial Services

"Balanced with integrity, experience & trust"



**Associate
Firm**

Balanced Financial Services Ltd

Purchase Mortgage Welcome Pack

Regulated Mortgages & Financial Protection

This document has been created to help you get the most from working with Balanced including what to expect, the process and other helpful information. Please contact your broker if you have any questions.

Balanced Financial Services Ltd

Registered in England and Wales number: 10277422
Registered address: 14 Draper Way, Norwich, Norfolk, NR5 9NA
Authorised and regulated by the Financial Conduct Authority

Balanced Financial Services Ltd
Welcome Pack.

This document will help you better understand the role of your broker, and what you can expect from the Balanced approach. You *don't have to read this*, but we think there's some **really useful information in here you may find good to know**.

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SECTION 1 – Ongoing communication.

At Balanced we are committed to ensuring you receive the service and support we would want. To help us ensure we are getting things right we may send you survey requests from time to time, even before your mortgage is completed to get your feedback. We appreciate your time and value your feedback which will be used to improve our service and rectify areas where we may be lacking.

If you ever feel that that you are not supported, or that we are falling short of your expectations, please reach out to Charlie Baker, Director at Balanced – charlie@balancedfinancialservices.co.uk

SECTION 2 – Useful contacts/links & how to get assistance.

At Balance we believe communication is key to a successful business relationship with our clients. We want you to have easy access to all the information you need to make effective communication possible.

The Main Office number is 01603 961618

The team email address is: team@balancedfs.co.uk

Our web address is: www.balancedfinancialservices.co.uk

Next is some useful links and details of the information which can be found:

In the UK, nearly all financial service activities must be authorised by the financial conduct authority. You can search the Authorities register for firms and individuals and the activities they have permission from the regulator for here:

<https://register.fca.org.uk/s/> Balanced Financial Services Ltd is shown on the Financial Conduct Authority register here:

<https://register.fca.org.uk/Balanced-financial-services>

All business, organisations and sole traders that process personal data in the UK must be registered with the information commissioners office (ICO) You can check the ICO register here: <https://ico.org.uk/> and Balanced Financial Services Ltd appears on the register here: <https://ico.org.uk/Balanced>

Balanced Financial Services Ltd has a secure customer portal for sharing information and documents. Your broker will send you the details required to access this portal and the link can be found here: [Balanced Client Portal](#)

Choosing a valuation type can be a difficult decision to make, here we have added a link to the RICS (Royal Institute of Chartered Surveyors) to help you consider the different types of survey available. <https://www.rics.org>

Finally, following recent interest rate rises, the government & Financial Conduct Authority has asked lenders to incorporate measures to help support regulated mortgage holders. More information on the mortgage charter can be found here:

<https://www.gov.uk/mortgage-charter>

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SECTION 3 – Questions to ask your broker.

We want you to feel comfortable asking your broker questions, so much so, we have created a few examples for you to ask your broker during any of your calls/meetings. You're not obliged to ask questions, but we feel that its really important that you understand you mortgage now and in the future.

- How are you paid and what is the cost for me?
- What happens if I suffer financial difficulty/can't work in the future?
- What happens if interest rates change during my initial mortgage period?
- What happens if house prices go down during my mortgage?
- Can I borrow more in future if I want to?
- What happens at end of fixed/tracker rate term?
- How does your recommendation meet my objectives & preferences?
- What can I do if I change my mind on the property/mortgage?
- Who can I speak to if you're unavailable?
- Can you explain the different valuation types?
- What Happens if I want to move house?
- **Use the Spaces below for your own questions. There are NO silly questions**

- _____
- _____
- _____
- _____

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SECTION 4 – The Balanced Journey.

We want you to get as much as possible from your dealings with Balanced Financial Services, so we have created the Balanced Journey to let you know what you can expect from each stage of the process. We encourage you to ask questions and find out as much as possible about what we do, what we are doing for you, and how we can support you to achieve your goals. Below is an outline of the various stages we work through with you in order to help you achieve a suitable mortgage and useful information for you about each stage.

Stage	Description
1	<p>Initial Conversation, appointment arrangement & disclosure. This stage has likely already happened as we will have had a brief initial conversation to arrange an appointment. We will have sent you our data privacy notice explaining how we use and store your information and our initial disclosure document detailing our service and fees and this document, the welcome pack.</p>
2	<p>Information Gathering (Fact Find) Appointment. This stage is one of the most important stages as it provides the information we need to help & support you.</p> <p>Why do you need so much information? We collect as much information as we can to help us approach the right lenders for your circumstances. Making an application to a lender who's criteria you don't meet can lead to delays and sometimes the loss of valuation fees.</p> <p>Your broker will discuss all aspects of your finances with you including:</p> <ul style="list-style-type: none">• Income• Expenditure• Commitments & debts• Credit history• Employment history• Any other factors which may affect mortgage eligibility. <p>Your broker will also ask you some questions you may not be expecting, including information about your future plans. This helps us to establish what recommendation may be suitable for you both now, and in the foreseeable future. It will be helpful for your broker to know if you have future family plans, job changes, house moves or other intentions which may be affected by your mortgage.</p> <p>Your broker will ask you other information including whether we need to make any adjustments to how we work with you to ensure you feel and are fully supported. Your mortgage can often be the biggest financial commitment you make in your life and its important you have all the support you need.</p> <p>In addition, your broker will discuss with you Step 3 – information about legal and valuation matters. This information is provided below also.</p>

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What else will you do during the fact find?

We will also discuss your mortgage expectations and preferences and details about the property you wish to mortgage, (if known at this time) and answer any questions you may have.

What will I need for the fact find appointment?

It would be helpful, to prepare for your Fact Find appointment, if you can have to hand:

- Exact details of your income – have payslips or tax returns handy.
- Balances & payment amounts of any credit cards & loans.
- Details of your day-to-day expenditure including monthly bills, vehicle expenditure & other day to day expenditure including food shopping & subscriptions etc.
- Details of your deposit funds & how these have been achieved.

At this point we will send you electronic signature versions of the Initial Disclosure Document and the Data Privacy Notice for you to sign on your phone, PC or tablet.

We will also send you access to our secure online customer portal where documents & messages can be shared safely and instantly.

How can I prepare for the appointment?

We recommend that you write down a list of any questions you may have and have bank statements & payslips in front of you

What happens if I don't want to answer some of your questions, or I get information wrong?

We base all of our work and advice on what you tell us, if something is wrong it may affect the final recommendation and you may be ineligible for that mortgage, or the lender may decline the application. It's always best to be as accurate as possible with your answers. If there is information you don't wish to share with us please tell your broker and your broker will advise you if this information must be provided or if we can proceed without it.

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Valuation & Legal information.

What Valuation options are there? – We have added the RICS survey 'helping you choose' document to this pack so you can have a read through the different valuation types. Your broker will discuss these options with you also and which lenders allow an upgrade, (which can save you money) and which do not. See Also Link to RICS website here: <https://www.rics.org>

What do I need to be aware of regarding the conveyancing (legal) side – It's important to be aware of how the relationship between conveyancers and lenders works. The conveyancer you choose will likely work on behalf of both you, and the lender and because of this, lenders often have panels of conveyancing solicitors which are acceptable to them. Not all solicitors are on the acceptable conveyancing panels of all lenders so please check with us that your chosen solicitor is acceptable to the recommended lender. We can offer you a quotation with a legal firm we work with often, and from whom we do receive an introduction fee. You are not obliged to use this firm or any other firm of solicitors. The choice is yours, and we recommend you obtain quotes from local firms and those who you have received recommendations.

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4	<p>Information checking & initial sourcing. Now that we have completed the fact find we will ask you to check our fact find and sign it to ensure the information we are working with is correct and that we have not misunderstood something.</p> <p>What is 'Initial Sourcing'? What we call 'initial sourcing' the process of sourcing includes several aspects, but the basic explanation would be:</p> <ol style="list-style-type: none">1. Initial cost search (this is where we usually look for the top few cheapest lenders meeting YOUR requirements)2. Criteria Check (a basic criteria check to ensure your circumstances are likely to meet lender requirements.)3. Affordability check (Here we look at the maximum loans available from lenders likely to be matched between yours and their requirements.) <p>We call this 'initial sourcing' because we will do this again in more detail once a property has been chosen and your offer accepted, but the initial sourcing helps us establish what areas your maximum loan amounts are likely to be and what monthly cost this lending will be to you so you are equipped with the right information ready to view properties within your budget and make offers.</p>
5	<p>Document collection.</p> <p>Why do you need documents from me? We will now ask that you send us the documentation we will likely need to support your application when the time comes. This allows us to check the documentation will meet lender expectations and give us time to get any anomalies rectified. (Misspelt names/addresses or missing documents can cause significant delays to an application or even in some cases result in a decline decision from a lender). Documents required will include, but are not limited to:</p> <ul style="list-style-type: none">• Evidence of ID• Evidence of address• Evidence of income• Evidence of deposit• Bank statements <p>These items can often be uploaded directly to our secure portal in PDF format; however, some lenders insist on us seeing originals of certain items and your adviser will discuss this with you depending on the specific lender's requirements.</p>
6	<p>Decision in principle & Property offers. By this point, you should have all the information you need to confidently view properties and make offers. We will also have the information we need to be ready to provide you with a decision in principle as and when you require one.</p> <p>What is a Decision in principle /Acceptance in principle? (DIP / AIP) ? This is the first stage of an application and almost all lenders require that this stage is completed prior to a formal application being submitted. The decision in principle relies on the information we provide to the lender being full and correct and involves the lender completing a credit search. They then make an 'in principle' decision based on that information and the credit search results. This is</p>

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then subject to the information provided being evidenced as accurate, a full application being submitted and an acceptable valuation.

Does this involve a credit search?

In some cases, a decision in principle can leave a hard search footprint on your credit file. Most lenders now use 'soft search' footprints, and your broker will explain the difference and implications of each type.

Why do I need a decision in Principle?

Most lenders insist this is completed prior to an application being made to ensure your credit history & circumstances meet the lenders basic requirements. Also, many estate agents will require sight of an accepted decision in principle certificate to ensure that they have met their due diligence requirements to ensure the expected funding of the purchase meets the Anti-Money Laundering requirements.

Be Aware – Estate Agents often insist that you see their own mortgage broker and they suggest that this is so that they can 'check' affordability or ensure that your finances have been verified. Please note that you are under no obligation to see their mortgage adviser and the practice of 'conditional selling' (where you are pressured to use the selling agents mortgage advisers or Conveyancing solicitors) is banned. See the property ombudsman code of practice, [The property ombudsman code of practice section 9](#).

What happens when I get an offer on a property accepted by the seller?

Once you have secured your chosen property and your offer to purchase has been accepted, contact us as soon as you can so that we can complete the final source and ensure that the property meets lender requirements.

What information will you need from me about the property?

We will need as much information as you can provide, and as a minimum we need:

- Agreed purchase price.
- Details of the selling agent (name, firm name & contact details) .
- Property type.
- Full property address including postcode.
- If you noticed any visual defects including any cracks or damage to the property.
- Property bedrooms
- If a leasehold property, lease details including ground rent, service charge, lease length outstanding
- EPC rating for the property
- Confirmation that the property is habitable and if there are any obvious issues like damp/mould.

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Final Source. Now that you have had your offer on a property accepted, we will complete 'final sourcing' in preparation for our recommendation to you.

What happens during final sourcing?

At this point we will find out from you, and online sources as much as we can about the property. We will ensure that we have all documents the lender may require and then re-source from the market

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the most suitable mortgage deal for you available at that time. Deals and rates change very frequently, sometimes with less than 24 hours' notice from lenders so we complete a 'final source' just before application submission to ensure the deal that we will recommend meets your needs and objectives and is still the most competitive available to you.

What else will you do before you make a formal recommendation?

Once we have established the most cost-effective mortgages which meet your needs, we will then check in much more detail whether your circumstances and property meet the lenders stated criteria requirements. All lenders have different rules and requirements ranging from differing acceptable, property types to income types and we will try to ensure that your circumstances are likely to meet the lender expectations, in cases which are outside the norm in any way we will often talk the case through with the lender to get a better ideas of what they may expect and how we can better support the underwriter in their understanding of the case. **Please note** lenders always reserve the right to decline an application, for any reasons even where an application does meet stated criteria. They are not even obliged to give a reason for a decline decision.

What considerations is your final recommendation based on?

Our final recommendation will be the most cost-effective mortgage available which:

1. Meets your stated requirements regarding rate type (fixed or variable).
2. Meets your agreed budget.
3. Meets any other stated needs or preferences of yours (term, mortgage type, lender type etc).
4. Allows you to purchase the property you have agreed to buy.
5. From a lender who's stated criteria your circumstances meet.
6. A lender who has completed a decision in principle (where applicable) and has agreed to consider an application from you.
7. A mortgage which is suitable for you based on circumstances now and any known future changes.

Why don't you just recommend the cheapest mortgage?

Sometimes there are cheaper deals on the market which we don't recommend. Our reasons for not recommending those cheaper deals will **always** be explained to you in our recommendation appointment, and detailed in our suitability letter and the reason is almost always because the circumstances you have made us aware of, do not meet the lenders specified acceptable criteria and therefore the lender would decline the application costing you time and, in some cases lost fees.

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Recommendation Appointment

Once all previous stages are complete we are ready to make our formal recommendation. We will send you an illustration which is called an ESIS (European standardised information sheet) which contains all the relevant information regarding the mortgage product recommended in a standardised format so that it is easier for you to make comparisons where required.

We will normally try wherever possible to give you time to read through your illustration and write down any questions you may have.

Why do you complete a recommendation appointment?

We will arrange a zoom, telephone or face to face appointment to go through the illustration with all those named on the mortgage so that all aspects of the mortgage are clearly understood. You will also have the opportunity to ask questions and clarify any other information with you broker.

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We have provided some suggested questions later in this document to help you think of questions to ask but you do not have to ask questions, but we really hope that you will feel comfortable asking your broker anything. We understand that your mortgage is a huge commitment and its important everything is clear and understood.

Will you ask me any questions?

Your broker will ask you some question to check and confirm your understanding of the recommended product. This is not to catch you out, we do this because its important that you understand the recommended mortgage, any risks associated with that mortgage and your obligations.

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Application submission. Once you have had time to consider the recommended mortgage and you have confirmed you are happy to proceed to full application, we will arrange to submit & package the application to the lender.

What does it mean to 'submit & Package' the application.

When we submit & package an application, this is where we complete the full mortgage application form and send it to the lender with their standard documentation requirements. Lenders all have different standard requirements, some are specific to your case individually dependent on what information they can verify independently, and some lenders have standard packaging requirements which are the same for all cases. Part of our role is to send the lender the right documents and information at the right times.

What happens after the application is submitted?

1. Once the lender has received the application and supporting documents (packaging requirements) the next stage with most lenders is initial assessment and instruction of valuation. Different lenders do this in different orders and your broker will give you an idea of what time frames to expect before you receive an update.
2. Next the lender will let us know if there are any addition documentation, or further information they require based on your specific case following their initial assessment. In some cases, lenders don't ask for anything further and the case simply awaits the valuation. In other cases, lenders have questions or require explanations or additional documents. **All lenders** reserve the right to request any information or documentation they deem necessary to reach a responsible lending decision.
3. Once the lender has all the information they require and the valuation report the underwriter (the person making the decision whether to lend or not) will decide if the application is successful and a formal mortgage offer will be made, or if unsuccessful a declined application will be the outcome.

How long can it take before a final decision is made?

All lenders vary significantly in time frames. We have seen offers received within 3 days and others take months. Factors which affect the time frames include:

- Lender capacity (If the lender has a lot of applications and is getting through cases slower)
- Lender size (Highstreet & bulk lenders are often quicker due to more automated processes than smaller lenders).
- Case complexity (if you case is complex it may need to be assessed manually or by a more

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	<p>senior underwriter)</p> <ul style="list-style-type: none"> • Additional Document requests (most lenders require time to assess documents, and where additional documents or information has been requested this can increase the length of time the case may take). • Valuation delays – Valuers are separate from the lenders and have to work within their own workloads and agree valuation times with others like sellers or estate agents so valuations can often delay the application to offer time frames. • Other unexpected factors (Lockdowns cause huge delays in 2020 and were entirely unprecedented)
10	<p>Suitability report. We will send you written confirmation of our understanding of your circumstances and objectives and our recommendation to meet those needs. Our report will also detail commissions and referral fees we may receive and confirm our broker fee. Depending on how quickly the lender processes your application you may receive your suitability report before or after offer. We normally take up to 10 working days to create your report. Your illustration or offer will also be included with your report.</p>
11	<p>Offer / Alternative lender options.</p> <p>What happens if the application is Successful? If the application is successful, the formal mortgage offer will be sent to the broker and the solicitor directly. The solicitor will get the full legal pack which contains all the information that the lender will require from them. The broker copy will be much shorter and will confirm the offered mortgage details. This is the point at which our broker fee becomes payable.</p> <p>How many applications are declined by a lender? According to an article by mortgage introducer in December 2022 approximately 23% of applications have been rejected in the previous 12 months for varying reasons.</p> <p>How Successful are Balanced Financial Services in getting successful outcomes? We pride ourselves on working hard to ensure we have all the relevant information and documentation to give a good chance of a successful outcome. As a result, *92.85% of our clients receive a formal mortgage offer on their chosen property. This includes first time buyer and specialist mortgage case. *Information correct as at 31/07/2023</p> <p>What happens if the application is Unsuccessful/Declined? We will find out as much information that the lender will share with us regarding the reason for the declined decision. Once we have this, we will work with you first to see if other lenders will be available or if there are issues which can be rectified. If there is a decline decision, we will not abandon you and will work as hard as we can to find a solution wherever possible. This can include an appeal to the lender with supporting information, an alternative lender or a change to the loan. If the decline is due to the property, we will talk you through your options.</p>
12	<p>Insurance & Financial Protection discussion. Now that you have your mortgage offer in place, we will discuss your financial protection options with you (unless you have asked us not to on your initial disclosure document).</p>

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	<p>What is Financial Protection?</p> <p>Financial protection is normally insurances to enable you to protect your income (which funds the mortgage payments). Or a policy to cover the mortgage or other debts so that you dependants and loved ones are not left with debts being paid from your estate if something were to happen to you. Financial protection can come in many forms, and we strongly recommend that you consider the options available to you. As you will have experienced by now Balanced Financial Services do not employ any pressure selling tactics so you can rest assured that we will be honest with you about how best to secure your future and that of your loved ones. Further information about protection can be found here: https://www.balancedfinancialservices.co.uk/financial-protection</p> <p>What if I don't want it?</p> <p>We would ask you to consider your options and the costs however you under no obligation to take financial protection advice from us, and it will not affect your mortgage eligibility or application if you choose not to.</p>
13	<p>What's Next. By this point you should have your formal mortgage offer, have a good and clear understanding of your mortgage and your protection needs. Your chosen conveyancing solicitor should have your mortgage offer pack and we will hand over to your chosen solicitor to complete the legal work required to complete your mortgage and get you to the point of picking up your keys to your new home.</p> <p>However..... We (you broker and the rest of us at Balanced) are always here for you. If you have any questions, or you need some assistance with progressing the completion of your purchase, please contact us. Even after you have collected your keys and moved in, we are still here. If we can be of assistance at all please reach out.</p>

Thank you for taking the time to review this document. If you have any questions, please ask your broker.

Your property may be repossessed if you do not keep up repayments on a mortgage or any other debt secured on it.